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UNCLAS SECTION 01 OF 04 GUATEMALA 000759

SIPDIS

DEPARTMENT FOR WHA/PPCP, WHA/EPSC AND DRL/IL
DEPARTMENT OF LABOR FOR ILAB: ROBERT WHOLEY

E.O. 12958: N/A

TAGS: [ELAB](#) [EAID](#) [KSUM](#) [ECON](#) [SOCI](#) [GT](#)

SUBJECT: TECHNICAL ASSISTANCE ON LABOR ISSUES

REF: A. SECSTATE 43119

[1](#)B. 02 GUATEMALA 3003

[1](#)1. Ref A requests information about current or recently completed technical cooperation activities in the labor field. That information was included in Ref B and is included in Paras 2-9 below. Information about USAID bilateral projects in the labor sector is included in Paras 10-11, and USAID regional labor programs in Paras 12-13. We hope this information is useful to the Department in the context of CAFTA and FTAA negotiations.

[1](#)2. Project Sponsor: ILO

Project Title: RELACENTRO (union rights, negotiation, and labor relations in Central America)

--project goal: to improve union rights and labor relations in the years 2001-2002, run by the Labor Ministry of Guatemala, Central Unions, and the umbrella chamber of business chambers (CACIF). Has received 1.5 million US dollars from US Dept. of Labor.

Project Title: IPEC (International Program for the Elimination of Child Labor in Latin America)

--project goal: to eliminate the worst cases of child labor, run by the Labor Ministry of Guatemala, Central Unions, and CACIF. Funded by the US Dept. of Labor and Spain.

Title: PRODIAC

--project goal: promotion of tripartite ideals, social dialogue, and strengthening of democracy, in the years of 2001-2002, run by the Labor Ministry of Guatemala, Central Unions, and CACIF. Has received \$1.75 mil from Norway.

Title: Legal Empowerment of Indigenous Peoples of the Central American Isthmus

--project goal: to strengthen the legal abilities of the indigenous villages, helping to preserve indigenous identity and protect their rights, in the years of 1999-2002, run by the justice system and indigenous organizations. Has received 1.5 million US dollars from UNFIP.

Title: MATAC (Modernization of the labor administrations in Central America, Panama, and the Dominican Republic)

--project goal: To modernize the labor administrations of these countries in years of 1997-2002. Has received \$2.93 million from Spain. (Comment: MOL contacts tell us that there has been little or no MATAC activity in Guatemala. End Comment.)

Title: Education about Labor and Internalization of Peace in Guatemala

--project goal: to educate university students about labor rights since 1999. Funded by OIT and EPAZT.

[1](#)3. Project Sponsor: UNDP

Project Title: International Labor Organization Representation

--project goals: representation of ILO, to advise the resident coordinators of the UN and of UNDP about labor topics. Run by the Guatemalan Ministry of Labor, other participating groups include: union organizations, the business sector, and universities.

Title: Labor Justice

--Project goals: to advise and facilitate reform of labor judicial processes.

[1](#)4. Sponsor: MINUGUA

Title: Labor Justice

--project goals: research and workshops to come up with ideas to improve the administration of justice from June 2000 to December 2001, run by The Judicial Organism and the Ministry of Labor of Guatemala. Other participating groups include: Unions, CACIF, Universities, Guatemalan Institute of Labor rights

Title: Academic Training

--project goals: to offer conferences, publication opportunities and a documentation center starting in June 2000 (until present), run by USAC and IDHUSAC. Other participating groups include: The University of Rafael Landivar, and the University of Mariano Galvez.

[1](#)5. Sponsor: The Friedrich Ebert Foundation

Title: Empowerment

--project goals: offer conferences to increase institutional knowledge and the ability to articulate interest starting in 2001, run by union organizations.

Increasing female participation in union life through educational conferences starting in 2001, run by union

organizations.

16. Sponsor: UNICEF

Title: Children's Rights, Citizen Participation, Transformation of knowledge and values

--project goals: to protect children from labor and sexual exploitation. From 2002-2006. Run by Ministry of Labor and Ministry of Education of Guatemala. Other participating groups: Civil society, NGO,s.

17. Sponsor: International Organization for Migration (IOM)

Title: Monitoring Migrant workers and the emigration of Guatemalans to the south of Mexico

--project goals: to identify and register the workers, 2002-2003, run by the Ministry of Labor and the Ministry of Foreign Relations. Other participating groups include: workers, migrant worker recruiters.

Title: Investigation of the coffee crisis and its impact on employment. Run by the Guatemalan Ministry of Labor in 2001-2002.

Title: Improvement of worker qualifications, run by SEPAZ and INTECAP in 2001-2002.

18. Sponsor: Danish Central American Human Rights Program (PRODECA)

Title: Labor justice and academic formation

--project goals: promotion of projects and publications. Run by the Guatemalan Ministry of Labor and the Judicial Body in 2000-2001, other participants include: universities and unions.

Title: Labor justice

--project goals: improvement of the ability of the defense and promotion of labor rights, legal assistance, judicial investigation. Run by unions and NGO,s in 1999-2003.

Title: Project INTRAPAZ

--project goals: improvement and promotion of dialogue techniques and alternative conflict solutions. Run by the Guatemalan Ministry of Labor, NGO,s, unions CACIF, and the University of Rafael Landivar in 2001-2002.

19. Sponsor: The Danish Council

Title: Union training to promote unity, strengthen organizations, and promote strategic formulation of union projects. Run by unions: CTC, CUSG, FESTRAS, IUTE, ANTRASPG, and UNSITRAGUA in 1999-2002.

Title: The promotion of women's participation in unions and the education of union leaders. Run by unions in 1997-2002.

USAID Bilateral Programs

10. As part of an ongoing effort to support the Labor Ministry, USAID/Guatemala engaged the services of IRM through a buy-in to the Interagency Agreement between USAID and the U.S. General Services Administration. The modest project--\$200,000--helps establish an information technology unit within the Labor Ministry and pilot projects (e.g., direct communications between regional offices and the ministry, labor inspection via palm pilots, and systems administration).

11. During 2001 USAID provided \$70,000 to the Institute for Transforming Conflicts for the Construction of Peace in Guatemala (INTRAPAZ) through a cooperative agreement with Rafael Landivar University to provide in-country training in successful dialogue, relationship-building and labor/management conflict-resolution techniques. Target groups included individuals from management, labor, the Ministry of Labor, and a corps of future trainers and mediators.

USAID Regional Programs: PROALCA II Labor Component

12. Project budget: \$6.3 m.

Project duration: July 20, 2002) September 30, 2007

Participants: Ministries of Labor of Central America, Panama, Belize and the Dominican Republic, Ministers, Vice Ministers, other labor officials, union organizations, civil society, among others.

Implementing Unit: Secretariat for Central American Economic Integration (SIECA)

Project Goal: Supporting efforts to improve the functioning of regional labor markets while strengthening the protection of core labor standards.

Justification: Enhanced competitiveness in global markets requires that Central America improve the functioning of its labor markets while also strengthening the protection of core labor standards. Improved labor-management relations are essential to achieve the total quality production required by a global marketplace. Moreover, satisfactory protection of core labor standards is necessary to maintain access to important markets. In addition, for Central America to take maximum advantage of the increased opportunities presented by more integrated regional and global markets, its labor force

must be better trained and more productive and its labor laws and regulations must be harmonized. Also, rigidities in the region's labor market must be addressed by allowing for flexibility and sufficient labor mobility to permit the timely and voluntary reallocation of workers to newer and more competitive economic activities. To achieve this result, the following interventions will be promoted: (a) labor ministries capacity enhanced, (b) competitiveness of the region's labor force increased, and (c) harmonization of labor laws and regulations in the region.

At the end of the strategy period, the following achievements are expected:

- More active and effective leadership of labor ministries in economic policy-making relative to labor.
- Better functioning of labor markets in specific areas addressed by PROALCA II.
- Establishment of one or more Alternative Dispute Resolution Mechanisms in the region.
- The development of a corps of trained technical staffs in the labor ministries of Central America.
- Shift from public occupational training in public-private skills-based training.
- Harmonization of skills standards and standards of methods of certification.
- Initiation of skills certification program throughout region.
- Increased voluntary mobility of workers inside their countries.
- Changes in labor codes to incorporate policies that increase labor flexibility without weakening protection of core labor rights.
- Region wide respect for core labor rights.
- Changes in national legislation to conform to regional norms.
- Increased convergence of labor laws in the region.

USAID Regional Programs: PROALCA I Results

13. Our regional Program in Support of Central American Participation in the Free Trade Area of the Americas (PROALCA I) Labor Component ran from 1995-2002 and had its objective "More Equitable and Better Functioning Labor Markets." The labor component expended \$ 5.0 million. This was accomplished through programs designed to support Central American efforts to strengthen the protection of internationally recognized core labor standards, improve labor-management relations, and modernize labor markets. The activity also helped improve workplace conditions and better enable workers to receive their fair share of gains generated by trade expansion and productivity increases.

PROALCA supported the Ministries of Labor of Central America, Belize and the Dominican Republic. The program provided assistance for policy reform and for effective policy implementation, as needed. The types of assistance provided included specialized technical assistance, horizontal (inter-ministerial) cooperation programs, short-term training programs, observational trips and support for regional seminars, workshops and fora.

USAID-IDB-SIECA Labor Modernization Project: This program was designed to assist Central American efforts to modernize labor markets by supporting regional and national dialogue on topics related to labor markets and hemispheric integration, globalization and trade policy, among others. The project also provided opportunities for the region's countries to participate in pilot activities in methods of alternative dispute resolution and occupational safety standards.

The program financed technical assistance and consulting services for the eight Ministries of Labor in the formulation of national and regional policies, and the modernization of labor markets. Thirty-six national seminars and workshops were developed in the region. 1,631 persons (478 women and 1,153 men) from the public and private sector, trade unions and NGOs were trained on subjects related to social dialogue, information systems, alternative methods of dispute resolution, occupational health and safety, and modernization of the labor market.

This subcomponent supported the development of a web-based labor information system. This system facilitates the research of statistics on occupation, income and wages, vulnerable groups, labor legislation, agreements and ministerial meetings, international legislation, social dialogue, trade union information, economic and demographic data, and social standards, and provides a virtual library on labor topics. Training on the use of the system and the necessary computer equipment and software were also provided to the ministries. This component finished on September 30, 2001 (although a no-cost extension was approved for an additional year and activities continue with IDB financing).

Labor Advisor: This consulting service provided the Ministers of Labor with advice on the status of the hemispheric economic and social integration process, and how labor issues are incorporated into that process, as well as advice on ministerial modernization processes. It also helped the Ministers define appropriate social, economic and labor policies.

This subcomponent facilitated the exchange of technical assistance, training, and best practices among the Central American Ministries of Labor and between Central America and those from outside the region through a horizontal cooperation program and site visits. A total of 82 labor officials participated in the hemispheric cooperation program in areas such as: modernization of labor markets, automation of labor information, labor relations, labor inspection, and certification of labor skills. Five extraordinary ministerial meetings were supported as well as the XVI Council of Ministries of Labor of Central America. Under this contract, a total of 866 (652 men and 214 women) Labor officials participated in 18 seminars and workshops on employment policies, productivity, and modernization of the labor markets.

With the support of this subcomponent, the Secretary of Labor and Social Welfare of Mexico and the Ministers of Labor of the region signed an operational agreement on November 23, 2001. This agreement will allow the transference, at a minimum cost, of successful experiences that were accumulated by the participation of Mexico in the North American Free Trade Agreement (NAFTA) in aspects such as labor skills certification programs and systems for the establishment of norms, among others. Probably the most significant achievements of this subcomponent, however, have been the creation of an ad-hoc secretariat of the Central American Ministers of Labor and the successful garnering of assistance from other donors for the labor sector in Central America.

Strengthening Labor Management Relations: This program concluded in November 2000 and was developed through a US \$1.6 million cooperative agreement awarded to FUNPADEM. Its purpose was to support the modernization of the labor inspection departments in each ministry, and to strengthen ministerial abilities to resolve labor conflicts and enhance labor-management relations.

This assistance included the design of a modern management system to enhance the inspection process through improved monitoring and quality control of inspections and establishing a database on businesses, workers, payrolls, frequency and geographic locations of violations.

Training activities on inspection, ministerial operations, and labor issues in the context of economic globalization and hemispheric integration surpassed expectations. 1,230 (923 men and 307 women) representatives from the labor ministries, unions and management participated in six workshops, fourteen courses, six seminars and six video conferences

Child Labor Program: The Child Labor Eradication Program funded by USAID was successfully completed in September 2001. FUNPADEM provided sub grants to and monitored the national NGOs, which implemented the pilot projects in each Central American country according to the selected high-risk areas identified by the Ministers of Labor (Guatemala-quick lime production).

NGOs were provided with the equipment and furniture required to implement activities. The program developed regional workshops, reinforcement school courses, seminars, socio-economic diagnosis, and provided technical assistance to encourage more than one thousand children (586 girls and 624 boys), adolescents, families and teachers to participate in educational and training activities. A total of 547 children will stop working to study, 147 will not study, and the rest will combine both activities. NGOs obtained 193 scholarships, 100 from the IPEC-ILO project and the rest from the private sector and municipalities.

HAMILTON